



New Hampshire

Voluntary Loss Cost Filing – January 1, 2019

Executive Summary

Based on its review of the most recently available data, NCCI has proposed an overall average workers compensation voluntary market loss cost level change of -14.0% to become effective January 1, 2019.

Key Components

Percentage Change

| | |
|---|----------------|
| Impact of change in Experience and Development | - 9.5% |
| Impact of change in Trend | - 6.1% |
| Impact of change in Benefits | + 0.1% |
| <u>Impact of change in Loss-based Expenses</u> | <u>+ 1.2%</u> |
| Proposed Change in Overall Voluntary Loss Cost Level | - 14.0% |

Key observations:

- The financial data experience period evaluated as of December 31, 2017 shows notable improvement when compared with the experience period evaluated as of December 31, 2016 on which the previous filing was based.
- New Hampshire's claim frequency has declined in the latest three policy periods.
- After adjusting to a common wage level, indemnity average cost per case figures remains relatively flat, while the previous upward trend in the medical average cost per case figures has flattened in recent years.

Proposed Changes in Voluntary Loss Cost Level by Industry Group:

| <u>Industry Group</u> | <u>Average Change</u> | <u>Maximum Increase</u> | <u>Maximum Decrease</u> |
|-----------------------|-----------------------|-------------------------|-------------------------|
| Manufacturing | - 14.7% | 0% | - 30% |
| Contracting | - 14.7% | 0% | - 30% |
| Office and Clerical | - 14.4% | + 1% | - 29% |
| Goods and Services | - 13.9% | + 1% | - 29% |
| Miscellaneous | - 11.9% | + 3% | - 27% |

Additional Notable Change Proposed in the Filing:

- Classification Ratemaking – Revised Credibility Parameters
- Retrospective Rating – Updates to Retrospective Rating